Letter of Intent

March 8, 1988

The Point Foundation
27 Gate Five Rd.
Sausalito, CA 94965

Dear Kevin and Keith:

Brøderbund Software, Inc. ("Brøderbund") is pleased to have had the opportunity to review the microcomputer software and CD-Rom product tenatively entitled The Whole Earth Learning Disk (the "Work") which is under development by The Point Foundation. Brøderbund is very interested in working with you to publish the Work, subject to the parties' ability to negotiate mutually agreeable terms and conditions of a definitive Software Development and License Agreement (the "License Agreement"). The basic business terms upon which the parties have reached agreement are the following:

- Brøderbund shall pay to The Point Foundation development fees of $100,000 to be tied to the achievement by you of certain milestones agreed upon by both parties.

- Brøderbund shall pay royalties of 15% of sales receipts; provided however that no royalties shall be paid until all but $12,500 of the development fee has been recouped.

- Brøderbund agrees to provide 3 Macintosh SE computers with hard drives, and one 80 Mb hard drive for use by The Point Foundation during the term of this project. This equipment shall remain the property of Brøderbund and will be returned upon completion of the project. It is understood that Apple will provide additional hardware to aid The Point Foundation's efforts on this project.

- The development project will be managed by The Point Foundation with Brøderbund's advice and assistance. The Point Foundation will produce, with technical assistance from Apple, the finished master tape ready for production mastering as a CD-Rom.

- Point Foundation will develop accompanying end user documentation as mechanicals. Brøderbund will work with Point Foundation on Brøderbund mandatories (i.e. warranty, logos, etc).

- Brøderbund will assume all the costs of packaging, producing and marketing the product.

- Brøderbund will put one programmer on the project, starting in mid-April. The Point Foundation and Apple Computer will transfer the necessary technology to that programmer.

- Brøderbund will provide editorial feedback on the product design.

- Apple Computer must agree that they will not include, without our consent, the "demo" or any other version of the disk with drives sold. The 6,000 demo disks already allocated represent the only disks Apple will distribute as a result of its participation in this project. Apple has no further claims of ownership in the project.

- The Point Foundation agrees to reasonable promotion of the Learning Disk in its own publications, as appropriate.
- The Point Foundation agrees to have the product ready for mastering by Sept. 1, 1988. It will endeavor to have the product ready for mastering by August 1, 1988.
- The Point Foundation will have the right to sell copies of the Work to its customers.

The parties agree that for a period of 30 days from the date of this Letter of Intent, they will negotiate in good faith the terms and conditions of the License Agreement. During that period, you agree that you will not show the Work to other software publishers. If the parties are unable to negotiate mutually agreeable terms and conditions within 30 days from the date of this Letter of Intent, any and all agreements and negotiations, including this Letter of Intent, shall cease and become null, void, and of no force and effect, with the exception of the following paragraph:

The parties further agree that speed is of the essence if this project is to be completed by the deadlines discussed above. Towards that end Brøderbund authorizes The Point Foundation to commence work on the project immediately. In the event that the parties cannot, in good faith, come to an agreement, Brøderbund agrees to reimburse The Point Foundation for any and all costs incurred on this project up to a maximum of $10,000. Any monies spent under this provision shall be considered part of the $100,000 advance mentioned above. Before making such payments The Point Foundation will provide Brøderbund with detailed documentation of any such costs incurred. In the event that the parties do not reach a mutually acceptable agreement to publish the Work, The Point Foundation must repay Brøderbund any advances paid before granting publication rights on this project to another party.

Please sign the enclosed copy of this letter in the space provided below indicating your agreement with the terms and conditions of this Letter of Intent.

Very truly yours,

R. Whittaker

Richard Whittaker
Publisher

Agreed and Accepted
The Point Foundation

By: Kevin Kelly

Name: Kevin Kelly

Title: President